

Update of Construction Commodity Prices

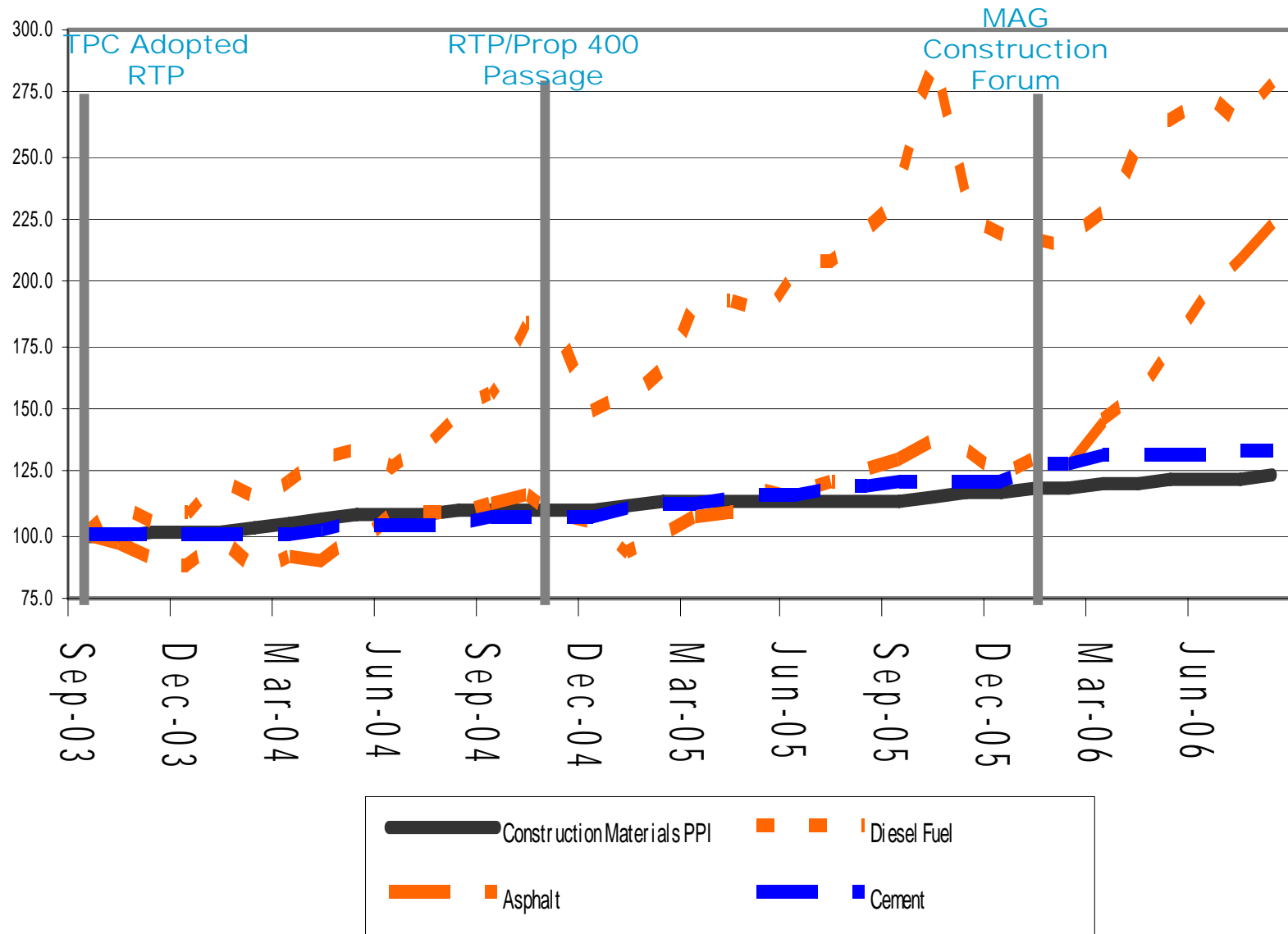
**Population Technical Advisory
Committee
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Primary Cost Components

- **Materials**
 - **Cement and Concrete**
 - **Asphalt**
 - **Steel and Plastic Products**
 - **Construction Lumber**
 - **Aggregate Stone/Rock**
- **Activity**
 - **Fuel (Diesel and non-diesel)**
 - **Labor (General and Skilled)**

Change in Commodity Costs



Source: US Bureau of Labor Statistics,
National Prices

Change in Commodity Costs

	Chg since TPC	Chg since Forum
Diesel Fuel	178.8%	28.0%
Asphalt	123.9%	82.4%
Cement	32.1%	9.7%
Sand & Stone	22.1%	8.6%
Concrete Products	28.6%	7.6%
Fabricated Steel	35.9%	4.1%
Plastic/PVC	32.8%	7.6%
Lumber	(2.9%)	(8.7%)

US Construction Materials PPI rose 23.2%

Factors Effecting Costs

- **Strong demand for key materials**
- **Limited production capacity within the region and Arizona**
- **High energy and transportation costs**
- **Limited rail capacity**
- **High raw material prices**

What's ahead?

- **Oil prices have fallen about \$10 per bbl (about 15%)**
 - Easing on diesel and asphalt pricing
 - Natural gas prices are expected to drop 20-25%
- **Scrap and iron ore have shown recent price gains**
 - Fabricated steel may bump up
- **New price ranges have been generally established**
- **Labor costs are rising**
- **Increased demand for key commodities**